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Indonesia Stock Price Index, Inflation, Interest Rate and Exchange Rate against ISSI

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Abstract

The purpose of this study is to examine the effect of Indonesia regional stock price index, inflation, interest rate, and exchange rate on ISSI, for Singapore, Malaysian and Philippine. The dependent variable in this study is ISSI. The independent variables in this study are Straits Times Index (STI), Kuala Lumpur Stock Exchange Index (KLSE), Philippine Stock Exchange Index (PSEI), Singapore inflation (INFSG), Malaysian inflation (INFMY), Philippine inflation (INFPH), Singapore interest rate (SBSG), Malaysia interest rate (SBMY), Philippine interest rate (SBPH), Singapore exchange rate (SGD), Malaysian exchange rate (MYR), and Philippine exchange rate (PHP). The sample of this study are all variables starting in 2014-2019. Analysis tools to test hypotheses using the VECM method. The analysis shows that the variables that have positive and significant effect on ISSI are KLSE, INFSG, SBSG, SGD, MYR, and PHP. SBMY has a positive but not significant effect on ISSI. While the variables that have negative and significant influence are PSEI, INFPH, and SBPH.

Kata kunci:
Indeks Saham; Inflasi; ISSI, Kurs; Interest Rates

JEL Classification: E31,E43, E44, F31, G15.

Abstrak

Tujuan penelitian ini adalah untuk menguji pengaruh indeks harga saham regional, inflasi, suku bunga, dan kurs terhadap ISSI, pada negara Singapura, Malaysia dan Filipina. Variabel dependen dalam penelitian ini adalah ISSI. Variabel independen dalam penelitian ini adalah Straits Times Index (STI), Kuala Lumpur Stock Exchange Index (KLSE), Philippine Stock Exchange Index (PSEI), inflasi Singapura (INFSG), inflasi Malaysia (INFMY), inflasi Filipina (INFPH), Interest RatesSingapura (SBSG), Interest RatesMalaysia (SBMY), Interest RatesFilipina (SBPH), kurs Singapura (SGD), kurs Malaysia (MYR), dan kurs Filipina (PHP). Sampel penelitian ini adalah keseluruhan variabel mulai tahun 2014-2019. Alat analisis pengujian hipotesis menggunakan VECM dengan Eviews11 dengan tingkat signifikansi 0,05. Hasil analisis menunjukkan bahwa yang berpengaruh positif dan signifikan terhadap ISSI adalah KLSE, INFSG, SBSG, SGD, MYR, dan PHP. SBMY berpengaruh positif tetapi tidak signifikan terhadap ISSI. Sedangkan variabel yang berpengaruh negatif dan signifikan adalah PSEI, INFPH, dan SBPH.

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1. Introduction

Capital markets play a very important role in a country's economy. As a developing country, the capital market is an important part of Indonesia's economy, both as a funder, a place for stock sales and bond issuance, as well as an indicator of macroeconomic stability (Ardana & Maya, 2019). Sharia stocks continue to grow year on year. In addition, it is also accompanied by the development of sharia stock market capitalization that continues to increase.

The existence of sharia capital market is expected to make a fair contribution to the national economy so as to protect the interests of the community. Some aspects that require wider development are product aspects, regulation, information technology, and human resources. In addition, learning about sharia capital markets also requires greater attention (Firdausi, Fahmi, & Saptono, 2016). In this case, the focus of the research is the Indonesian Sharia Stock Index (ISSI).

Investors must understand macro economically at the international level and countries adjacent to the country itself if they want to invest in the country (Damodaran, 2002). Research on indonesia's Sharia Stock Index (ISSI) was conducted to see how much ISSI contributes to the economies of adjacent countries, such as Singapore, Malaysia, and the Philippines. According to the results of research conducted by Immanuel & Satria (2015). which indicates that in the short term only JCI affects ISSI significantly. Then in the long run, the PSEI and STI indexes showed positive and significant relationships, while JCI and KLSE showed negative and significant relationships. This is contrary to the results of research conducted by Firdausi et al. (2016)

In addition to capital market economic instruments, macroeconomic factors are also able to influence the development of sharia stock indices. Interest rates, which are one of the macroeconomic indicators, have an influence on investment activities in the stock market. This is because interest rates can affect changes in the company's profit level. Ardana & Maya (2019), Bank Indonesia (BI Rate) has a significant negative effect on ISSI variables. This research is supported by Nasir et al. (2016), Sudarsono (2018), Hussin et al. (2012), Kuwornu & Victor (2011), Suciningtias & Khoiroh (2015), F. W. Wibowo (2019). This is inversely proportional to the research conducted by ewal (2012).

The inflation rate indicates an increase in the overall price of goods in an economy. A high inflation rate can lead to social costs, such as a decrease in people's purchasing power so that the company's income becomes reduced. Firdausi et al. (2016) found that inflation has a positive and significant correlation to ISSI. Whereas according to Suciningtias & Khoiroh (2015) found that inflation had a negative and significant effect on ISSI. While the research conducted by Sari (2018) indicates that inflation has no effect on the stock price index.

Exchange rates also affect the economic activities of a country. Changes in exchange rates can have an impact on the company's performance Ardana & Maya (2019) found that exchange rates have a negative and significant influence on ISSI. It is also supported by Hussin et al. (2012), Kuwornu & Victor (2011), Suciningtias & Khoiroh (2015), Sudarsono (2018). While according to research Fitriyanti & Herlambang (2016) indicates an inversely proportional relationship.

2. Literature Review and Hypothesis

Based on previous research that has been done using variable interest rates, inflation, exchange rate, STI, KLSE, and PSEI, there are still differences in the results of the study. Thus, the problems that can be formulated from this research are as follows:

Do the Singapore, Malaysia and Philippine Regional Stock Price Indexes affect indonesia's Sharia Stock Index (ISSI)?

Climent dan Meneu (2003) argue that capital markets in one region tend to have the same movements and have a contagion effect so that the level of integration between capital markets to each other becomes high. If there is a shock in a stock market within a certain period of time, then there is a possibility that it will affect other stock market conditions, including sharia stocks (Ikrima, 2013). The explanation is supported by

research Firdausi et al. (2016) with the results of the study that in the long term PSEI and STI showed a significant positive relationship. However, JCI and KLSE have a significant negative relationship. Integration will further strengthen the contagion effect in the capital market due to the behavior of investors who focus on the role of liquidity problems only, by selling their shares to maintain a definite proportion of a country. Based on the description above, the hypothesis can be drawn as follows:

H_{1a} : STI (*Straits Times Index*) has positif effect on ISSI
H_{1b} : KLSE (*Kuala Lumpur Stock Exchange Index*) has negatively affects the ISSI
H_{1c} : PSEI (*Philippine Stock Exchange Index*) has positif effect to ISSI

Does The Inflation of Singapore, Malaysia, and the Philippines affect the Indonesian Sharia Stock Index (ISSI)? Inflation due to demand pull inflation can increase demand for goods and services, so that the demand for production factors also increases. Thus, it will cause cost push inflation which results in an increase in the price of goods produced, while the quantity of goods produced decreases. This makes the company's profit decrease, so that gradually the company's performance also decreases which causes investor interest to decrease. Reduced investor interest could lead to falling share prices (Firdausi et al., 2016). This is supported by research conducted by Suciningtias & Khoiroh (2015) which found that inflation had a negative and significant effect on ISSI. Based on the description above, the hypothesis can be drawn as follows :

H_{2a} : Inflasi Singapura has negatif impact to ISSI
H_{2b} : Inflasi Malaysia has negatif impact to ISSI
H_{2c} : Inflasi Filipina has negatif impact to ISSI

Do Singapore, Malaysia, and Philippines Interest Rates affect indonesia's Sharia Stock Index (ISSI)?
Interest rates and investments are inversely linked. If interest rates rise, then investors will sell their shares to be replaced with more profitable investments and have less risk or even risk-free. Thus, the share price becomes lower (Firdausi et al., 2016). These results was supported with F. W. Wibowo (2019) research which indicates that interest rates have a negative impact onISSI. Based on the description above, the hypothesis can be drawn as follows:

H_{3a} : Singapura Interest Rates has negatif impact toISSI
H_{3b} : Malaysia Interest Rates has negatif impact to ISSI
H_{3c} : Filipina Interest Rates has negatif impact to ISSI

Do The SGD, MYR, and PHP Exchange Rates affect the Indonesian Sharia Stock Index (ISSI)?
The weakening exchange rate is a major threat to a country dominated by imports, as the price of imported products increases so as to reduce the company's cash flow, profit, and share price (Ardana & Maya, 2019). Especially if the company has obligations in foreign currency. If the company's share price declines, then the stock index also decreases (Sari, 2018). This is supported by research from Mawarni & Widiasmara (2018) which shows the results of the study that the exchange rate has a negative impact toISSI. Based on the description above, the hypothesis can be drawn as follows:

H_{4a} : SGD has negatif impact to ISSI

H_{4b} : MYR has negatif impact to ISSI
H_{4c} : PHP has negatif impact to ISSI
Therefore, the purpose of this study is to find out the influence of regional stock price indexes (STI, KLSE, PSEI), inflation (INFSG, INFMY, INFPH), Interest Rates (SBSG, SBMY, SBPH), and exchange rates (SGD, MYR, PHP) on the Indonesian Sharia Stock Index (ISSI).

3. Data and Method

The data used in this study came from the official websites of the Financial Services Authority (www.ojk.go.id), Bank Indonesia (www.bi.go.id), Monetary Authority of Singapore (www.mas.gov.sg), Bank Negara Malaysia (www.bnm.gov.my), Bank Negara Philippines (www.bnp.gov.ph) and yahoo finance in the form of data tables or time series charts during the period 2014-2019. The population in this study is the index data of Singapore, Malaysia, Philippines and Indonesia. Samples will be taken in a 6-year period with index data each month, so that the large sample obtained in this study amounted to 288 samples (6 years × 12 months × 4 countries).
The way data is collected by researchers is by means of literature and documentation studies. Library studies are conducted by reading and studying literature, such as books and journals related to the problems studied. While the documentation is done by collecting data in the form of tables or time series charts of regional stock indices, inflation, interest rates, exchange rates from Singapore, Malaysia, and the Philippines, and as well as ISSI, accessed from the websites of www.ojk.go.id, www.bi.go.id, and yahoo finance. The analytical method used in this study is the VECM (Vector Error Correction Model) method with the help of the statistical program Eviews 11. Vecm method (Vector Error Correction Model) is a form of VAR (Vector Auto Regression) that is inserted (Firdausi et al., 2016). The stages used in performing VECM (Vector Error Correction Model) analysis are data stationary test, optimal lag determinant test, cointegration test, VAR estimation, granger causality test, Impulse Response Function (IRF) test, and Forecasting Error Variance Decomposition (FEVD) test.

4. Results

1. Stasionerity Data Test

Table 1. 1.Stasionerity Data Test

Variabel	Prob.	ADF *Test*	*Critical Value*			Keterangan
	Level		1%	5%	10%	
STI	0.2242	-2.155723	-3.525618	-2.902953	-2.588902	Tidak Stasioner
KLSE	0.4431	-1.667748	-3.525618	-2.902953	-2.588902	Tidak Stasioner
PSEI	0.1243	-3.058524	-4.092547	-3.474363	-3.164499	Tidak Stasioner
SBSG	0.8670	-0.582240	-3.530030	-2.904848	-2.589907	Tidak Stasioner
SBMY	0.2665	-2.047135	-3.525618	-2.902953	-2.588902	Tidak Stasioner
SBPH	0.6801	-1.177177	-3.525618	-2.902953	-2.588902	Tidak Stasioner
INFSG	0.3036	-1.960179	-3.525618	-2.902953	-2.588902	Tidak Stasioner
INFMY	0.1148	-2.521320	-3.527045	-2.903566	-2.589227	Tidak Stasioner
INFPH	0.1516	-2.377791	-3.527045	-2.903566	-2.589227	Tidak Stasioner
SGD	0.5526	-1.450690	-3.525618	-2.902953	-2.588902	Tidak Stasioner
MYR	0.4309	-1.691753	-3.528515	-2.904198	-2.589562	Tidak Stasioner
PHP	0.3573	-1.842656	-3.527045	-2.903566	-2.589227	Tidak Stasioner
ISSI	0.3799	-1.795548	-3.525618	-2.902953	-2.588902	Tidak Stasioner

The table above shows that all variables used are not stationary at the level level. This can be seen from the overall ADF test value of the variable is less than the critical value. That way, the whole variable should be tested again at the first difference level.

Table 2. Uji Stasioneritas pada Tingkat *First Difference*

Variabel	Prob.	ADF *Test*	*Critical Value*			Keterangan
	Level		1%	5%	10%	
STI	0.0001	-10.36318	-3.527045	-2.903566	-2.589227	Stasioner
KLSE	0.0000	-7.741651	-3.527045	-2.903566	-2.589227	Stasioner
PSEI	0.0000	-7.913893	-4.094550	-3.475305	-3.165046	Stasioner
SBSG	0.0000	-8.621714	-3.530030	-2.904848	-2.589907	Stasioner
SBMY	0.0000	-8.246211	-3.527045	-2.903566	-2.589227	Stasioner
SBPH	0.0000	-6.611948	-3.527045	-2.903566	-2.589227	Stasioner
INFSG	0.0000	-9.639799	-3.527045	-2.903566	-2.589227	Stasioner
INFMY	0.0000	-6.590249	-3.527045	-2.903566	-2.589227	Stasioner
INFPH	0.0211	-3.251372	-3.527045	-2.903566	-2.589227	Stasioner
SGD	0.0001	-10.59349	-3.527045	-2.903566	-2.589227	Stasioner
MYR	0.0001	-4.975245	-3.528515	-2.904198	-2.589562	Stasioner
PHP	0.0001	-11.48507	-3.527045	-2.903566	-2.589227	Stasioner
ISSI	0.0000	-7.597062	-3.527045	-2.903566	-2.589227	Stasioner

The table above shows that all the variables studied have an ADF test value greater than the critical value so that all variables in this study have been integrated or have a long-term relationship.

2. Lag Length Test

Table 3. *Lag Length Test*

Lag	LogL	LR	FPE	AIC	SC	HQ
0	-2329.270	NA	2.20e+14	69.91851	70.34629*	70.08779
1	-2171.181	250.1110	3.31e+14	70.24421	76.23308	72.61402
2	-2030.718	167.7178	1.34e+15	71.09605	82.64600	75.66639
3	-1765.609	213.6693	4.38e+14	68.22714	85.33819	74.99803
4	-1146.011	258.9367*	9.21e+10*	54.77644*	77.44858	63.74786*

Based on the table above, the result of calculation of lag length with LR, FPE, AIC and HQ shows the same lag length at lag 4. While the result of lag calculation with SC shows the lag length at lag 0. That way, the longest lag is lag 4

3. Cointegrated

Table 4. Cointegrated *Johansen's* ISSI

Unrestricted Cointegration Rank Test (Trace)

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None	0.899981	785.3665	NA	NA
At most 1 *	0.855003	626.5014	334.9837	0.0000
At most 2 *	0.789746	493.2592	285.1425	0.0000
At most 3 *	0.701457	385.6580	239.2354	0.0000
At most 4 *	0.652282	302.2480	197.3709	0.0000
At most 5 *	0.605469	229.3589	159.5297	0.0000
At most 6 *	0.512358	165.1849	125.6154	0.0000
At most 7 *	0.381666	115.6310	95.75366	0.0011

At most 8 *	0.352241	82.46077	69.81889	0.0035
At most 9 *	0.288971	52.49848	47.85613	0.0172
At most 10	0.208875	28.96663	29.79707	0.0621
At most 11	0.158979	12.79998	15.49471	0.1223
At most 12	0.012292	0.853381	3.841465	0.3556

**MacKinnon-Haug-Michelis (1999) p-values

According to the table above, there are at least 9 vectors of cointegration that connect the data. So it can be concluded that the equations tested have a cointegration relationship.

4. VAR estimated

Vecm estimates use lag 2 because it has criteria as the best model, when compared to lag 4 which is the optimal lag. The analysis used is to compare the absolute value of t calculate greater than the table t value of 1.967405 with a level of significant 5%.

Table 5. Hasil Uji VECM

Variable	Coef	T-Statistic	Variable	Coef	T-Statistic
Jangka Panjang					
ISSI(-1)	1,000000		PSEI(-1)	-0,026028	-12,6702
INFMY(-1)	-0,792923	-1,17433	SBMY(-1)	2,574863	0,46326
INFPH(-1)	-18,52443	-15,0293	SBPH(-1)	-21,00338	-9,38856
INFSG(-1)	20,35352	8,29053	SBSG(-1)	0,000794	2,21202
KLSE(-1)	0,080092	4,31224	SGD(-1)	0,030434	6,37070
MYR(-1)	0,030862	6,71579	STI(-1)	-0,006068	-0,95046
PHP(-1)	0,428836	3,70025	C	-534,3499	
Short Term					
D(ISSI(-1))	0,087663	0,38196	D(PSEI(-1))	-0,005248	-1,02645
D(ISSI(-2))	0,250277	1,24984	D(PSEI(-2))	-0,006149	-1,39461
D(INFMY(-1))	-0,354168	-0,24849	D(SBMY(-1))	9,693950	0,63815
D(INFMY(-2))	-1,451558	-0,96912	D(SBMY(-2))	-18,16852	-1,35497
D(INFPH(-1))	1,657269	0,60004	D(SBPH(-1))	-12,12903	-2,33176
D(INFPH(-2))	-1,227548	-0,37696	D(SBPH(-2))	-13,80100	-1,97796
D(INFSG(-1))	2,915957	0,72535	D(SBSG(-1))	0,000176	0,54283
D(INFSG(-2))	-0,654146	-0,18816	D(SBSG(-2))	0,000066	0,20025
D(KLSE(-1))	0,003597	0,12800	D(SGD(-1))	0,011467	1,29026
D(KLSE(-2))	-0,047425	-1,75191	D(SGD(-2))	-0,001352	-0,17163
D(MYR(-1))	0,014551	0,95617	D(STI(-1))	0,000166	0,01902
D(MYR(-2))	-0,003875	-0,27258	D(STI(-2))	0,007815	0,72193
D(PHP(-1))	-0,012929	-0,06708	C	0,308847	0,41570
D(PHP(-2))	0,189977	1,07097			

In the long run, variables that have a positive and significant influence on ISSI are variables INFSG, KLSE, MYR, PHP, SBSG and SGD. Then, the variable that has a positive but insignificant influence is the SBMY variable. While variables that have a negative and significant effect on ISSI are INFPH, PSEI, and SBPH. Variables that have a negative but insignificant effect are INFMY and STI. In the short term, variables that have a positive but insignificant influence on ISSI are variables INFPH, INFSG, KLSE, MYR, SBMY, SBSG, SGD and STI. While the variable that has a significant negative effect is the SBPH variable. Insignificant negatively influential variables are INFMY, PHP, and PSEI.

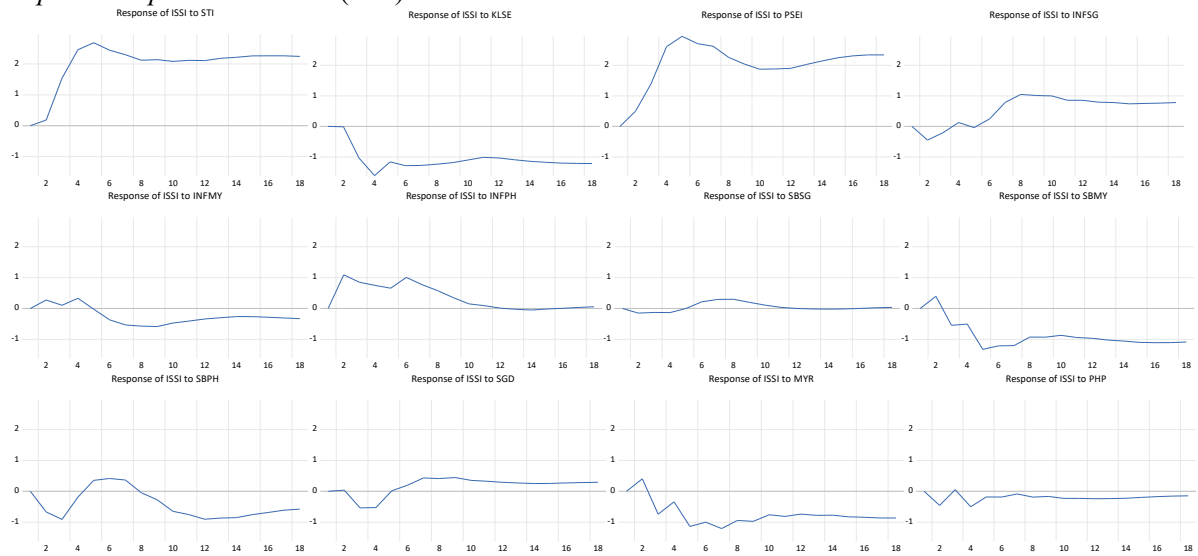
5. Granger Causality

Table 6. Granger Causality

Null Hypothesis:	F-Statistic	Prob.	Null Hypothesis:	F-Statistic	Prob.
ISSI - INFMY	152.842	0.2246	SBMY - ISSI	215.372	0.1243
INFMY - ISSI	0.13243	0.8762	ISSI - SBMY	0.43751	0.6475
ISSI - INFPH	130.812	0.2773	SBPH - ISSI	0.88187	0.4189
INFPH - ISSI	104.394	0.3579	ISSI - SBPH	0.17984	0.8358
ISSI - INFSG	133.973	0.2691	SBSG - ISSI	0.57503	0.5655
INFSG - ISSI	125.819	0.2910	ISSI - SBSG	226.845	0.1116
KLSE - ISSI	124.365	0.2951	SGD - ISSI	0.27105	0.7634
ISSI - KLSE	0.13631	0.8728	ISSI - SGD	229.062	0.1093
MYR - ISSI	147.303	0.2368	STI - ISSI	174.035	0.1835
ISSI - MYR	360.361	0.0328	ISSI - STI	225.927	0.1126
PHP - ISSI	105.539	0.3539	PSEI - ISSI	160.160	0.2094
ISSI - PHP	148.343	0.2344	ISSI - PSEI	150.758	0.2291

In accordance with the results of the causality test analysis of the overall variable, there is one variable that has a one-way relationship i.e. the ISSI variable affects MYR. While variables STI, KLSE, PSEI, INFSG, INFMY, INFPH, SBSG, SBMY, SBPH, SGD, MYR, and PHP do not affect ISSI.

6. *Impulse Response Function* (IRF)



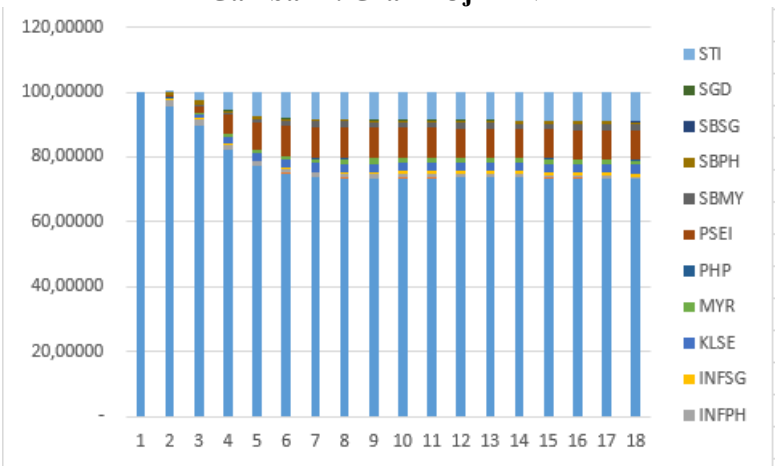
Graphics 1. IRF

For STI variables responded positively throughout the forecasting period. The KLSE variable responded negatively throughout the forecasting period. PSEI variables responded positively throughout the forecasting period. Then, the INFSG variable initially responded negatively to the fourth period and responded positively afterwards. INFMY variables responded positively through the fourth period and responded negatively to the end of the forecasting period. INFPH variables responded positively during the forecasting period and have tended to be stable since the twelfth period. variables responded to fluctuating until the end of the forecasting period. SBMY variables responded negatively during the forecasting period. SBPH variable. The shock looks volatile. sgd variables are also volatile. myr variables

responded negatively until the forecasting period ended. PHP variables. The shock was responded negatively during the forecasting period.

7. *Forecasting Error Variance Decomposition* (FEVD)

Gambar 2. Grafik Uji FEVD



The biggest contribution that affects ISSI variables is the variable itself which is 100% and continues to decline until the end of the period. From the graph above it can also be seen that the greatest influence of each variable on ISSI is for the INFMY variable of 0.317567 which occurred in the eleventh period, infph variable of 1.933839 occurred in the second period, INFSG variable of 1.016623 occurred in the eighteenth period, KLSE variable of 2.619365 occurred in the ninth period, MYR variable of 1.490617 which occurred in the ninth period , PHP variable of 0.339980 occurred in the second period, PSEI variable of 9.749093 which occurred in the eighth period, SBMY variable of 1.868794 that occurred in the eighteenth period, SBPH variable of 1.197038 occurring in the third period, SBSG variable of 0.073703 occurring in the ninth period, variable SGD of 0.360962 occurring in the fourth period, and STI variable of 8.907974 that occurred in the eighteenth period.

5. Discussion

Based on statistical calculation results, STI has an insignificant negative impact on ISSI so it does not support hypothesis 1a. KLSE has a significant positive impact on ISSI so it does not support hypothesis 1b. This is in line with research conducted by Puspitasari et al. (2015). PSEI has a significant negative impact on ISSI so it does not support the 1c hypothesis. This is in line with research conducted by Firdausi et al. (2016). According to Climent and Meneu (2003) in Puspitasari et al. (2015) states that capital markets in one regional region tend to have the same movements. In addition, the level of capital integration changes in line with events that occur in a country, such as politics, natural disasters, crises, and others (Puspitasari et al., 2015). So in stock indices in a region tends to be relatively different between countries.

Then, INFSG has a positive impact on ISSI so it does not support the proposed hypothesis 2a. This is in line with research conducted by Nasir et al. (2016) and Firdausi et al. (2016). While INFMY and INFPH have a negative impact on ISSI so that it supports hypotheses 2b and 2c. This is in line with research conducted by Mawarni & Widiasmara (2018) and Pasaribu & Firdaus (2013). According to Rachmawati & Laila (2015), relative inflation will have a negative impact on investors in the capital market. Meanwhile, according to Firdausi et al. (2016), inflation increased due to pull demand inflation.SBSG and SBMY has a positive impact on ISSI so it does not support hypotheses 3a and 3b. This is in line with research conducted by Umam et al. (2019), Yuniati (2018), Rachmawati & Laila (2015) and Pasaribu & Firdaus (2013). Meanwhile, SBPH negatively impacts ISSI, thus supporting the proposed 3c hypothesis. This is in line with research conducted

by Ardana & Maya (2019), Wibowo (2019), and Mawarni & Widiasmara (2018). According to Tandelilin (2010) in Rachmawati & Laila (2015), Too high Interest Rates can affect the present value of the company's cash flow.

Then, SGD, MYR and PHP had a positive impact on ISSI so it did not support the proposed hypotheses 4a, 4b and 4c. This is in line with research conducted by Yuniarti & Litriani (2017), Asmy (2010), and Saputra (2017). According to Yuniati (2018), the increase in the exchange rate will affect the price increase associated with some money. This can change the investor's valuation so that they invest their capital, no exception to ISSI.

6. Conclusion

Based on the results of the research that has been done, it can be concluded that variables that have a positive and significant influence on ISSI are variables INFSG, KLSE, MYR, PHP, SBSG and SGD. Then, the variable that has a positive but insignificant influence is the SBMY variable. While variables that have a negative and significant effect on ISSI are INFPH, PSEI, and SBPH. Variables that have a negative but insignificant effect are INFMY and STI. In the short term, variables that have a positive but insignificant influence on ISSI are variables INFPH, INFSG, KLSE, MYR, SBMY, SBSG, SGD and STI. While the variable that has a significant negative effect is the SBPH variable. Insignificant negatively influential variables are INFMY, PHP, and PSEI.

Recommendation

Investors are advised to consider information relating to stocks, such as interest rates, exchange rates, inflation, and global conditions (such as stock indices of other adjacent countries or developed countries in all fields, especially in terms of economy). For further researchers it is recommended to conduct research with a longer period. In addition, the development of research instruments and expanding research objects can also make research better.

Limitations and avenue for future research

For further researchers it is recommended to conduct research with a longer period. In addition, the development of research instruments and expanding research objects can also make research better.

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